



Australian Bureau of Statistics

6265.0 - Underemployed Workers, Australia, Sep 2002

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Summary

Main Features

SUMMARY OF FINDINGS

OVERVIEW

There were 9,367,400 employed persons aged 15 years and over in September 2002. Of these:

- 589,800 (6%) usually worked part time and wanted to work more hours
- 526,400 (6%) usually worked part time and wanted more hours and were available to start work with more hours in the reference week, or within four weeks of interview
- 47,900 (0.5%) usually worked full time but worked part-time hours in the reference week due to economic reasons (being stood down, on short time, or having insufficient work). The majority of these were male (76%).

PART-TIME WORKERS WHO WANT MORE HOURS

In September 2002, there were 2,625,000 part-time workers. Of these, 22% wanted to work more hours, a decrease of two percentage points since September 2001. The proportion of part-time workers wanting more hours was higher for males (30%) than for females (19%). A similar pattern occurred in previous years.

Characteristics of part-time workers who want more hours

In September 2002, there were 589,800 persons who worked part time and wanted to work more hours. The majority (57%) of these persons wanted to work full time, a decrease of 3 percentage points since September 2001. For males, the proportion who wanted to work full time (72%) has not changed since September 2001, whereas the proportion of females wanting to work full time has dropped by 5 percentage points (from 52% to 47%).

Duration of insufficient work

The median duration of the current period of insufficient work for persons who worked part time and wanted to work more hours was 26 weeks for both males and females. For males aged 45-54 years, the median duration of insufficient work was 43 weeks, compared with 50 weeks for females.

Available to start work with more hours in the reference week

There were 243,500 part-time workers looking for work with more hours who were available to start work with more hours in the reference week. This is the group of underemployed

workers which most closely aligns with criteria applied in the ABS definition of unemployment, that is, actively looking for work, and available for work in the reference week. Females comprised just over half of these workers (56%).

Of those 589,800 persons working part time who wanted to work more hours, 77% (453,900) had looked for work with more hours in the four weeks prior to the survey, or were available to start work with more hours in the reference week. The remaining 23% (135,900 persons) were not looking for work with more hours in the four weeks prior to the survey and were not available in the reference week. Of these, 80,200 were available to start work with more hours within the next four weeks.

LOOKING FOR OR AVAILABLE TO START WORK

Ninety-one per cent (534,100) of part-time workers wanting more hours were looking for or available to start work with more hours in the reference week or within four weeks. This proportion has remained steady since September 2000. Almost one-third (31%) of these usually work 10 hours or less.

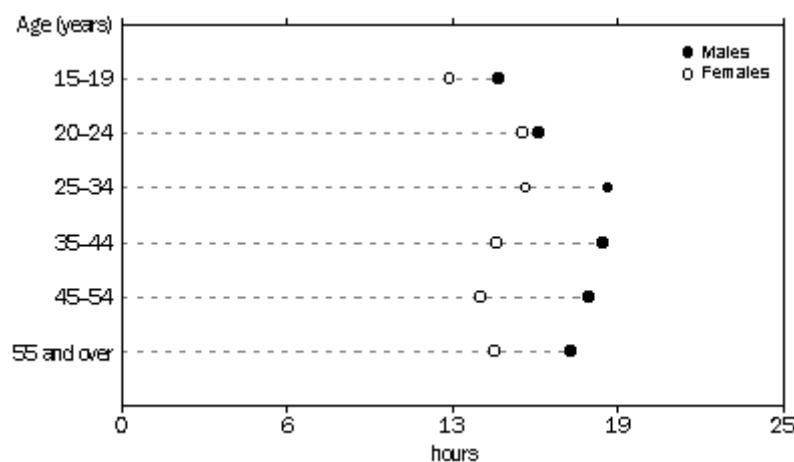
Extra hours wanted

Of those part-time workers who were looking for or available to start work with more hours:

- 43% wanted to work 10-19 extra hours
- 27% wanted to work less than 10 extra hours each week
- 21% wanted to work 20-29 extra hours
- 9% wanted to work an additional 30 hours or more.

The mean preferred number of extra hours each week was 15.2 hours. Males wanted to work an average of 16.7 extra hours compared with an average of 14.2 extra hours for females. The mean preferred number of extra hours was highest for persons aged 25-34 years (16.5 hours) and lowest for persons aged 15-19 years (13.5 hours).

MEAN EXTRA HOURS WANTED



Of those persons who usually work 10 hours or less per week, just over half (55%) wanted up to 19 extra hours. Thirty-nine per cent of those who usually work 11-20 hours wanted 20-29 extra hours, and 40% wanted to work 10-19 extra hours per week. Nearly all those who usually work 21-34 hours (97%) wanted less than 20 extra hours.

Job search experience

Of those part-time workers who wanted more hours, 301,100 (51%) had been looking for work with more hours.

The main reasons given for not having found work with additional hours were:

- no vacancies in line of work (21%)
- lacked necessary skills or education (11%)
- too many applicants for available jobs (9%)
- no vacancies at all (9%)
- considered too young or too old by employers (9%)
- unsuitable hours (8%).

The steps most frequently taken to find work with more hours were:

- contacted prospective employers (65%)
- looked in newspapers (57%)
- asked current employer for more work (52%)
- searched Internet sites (26%)
- contacted friends or relatives (24%)
- registered with Centrelink (23%)
- answered a newspaper advertisement for a job (21%).

About this Release

ABOUT THIS RELEASE

Provides information on visible underemployment. Persons who worked less than 35 hours in the week prior to the survey who would have preferred to work more hours were asked about whether they were looking for work with more hours, available to start work with more hours, and their experience in looking for work with more hours. Other information includes, the duration of the current period of insufficient work, and the number of extra hours preferred. Estimates can be cross-classified by labour force demographics such as State, sex, age, marital status and birthplace.

Data for September 1994 and September 1995 are available as a standard data service (6265.0.40.001).

Explanatory Notes

Explanatory Notes

INTRODUCTION

1 The statistics in this publication were compiled from data collected in the Underemployed

Workers Survey conducted throughout Australia in September 2002 as a supplement to the monthly Labour Force Survey (LFS). Respondents to the LFS who were in scope of the supplementary survey were asked further questions.

2 .The publication **Labour Force, Australia** (cat. no. 6203.0) contains information about survey design, sample redesign, scope, coverage and population benchmarks relevant to the monthly LFS, which also apply to supplementary surveys. It also contains definitions of demographic and labour force characteristics, and information about telephone interviewing relevant to both the monthly LFS and supplementary surveys.

CONCEPTS, SOURCES AND METHODS

3 The conceptual framework used in Australia's LFS aligns closely with the standards and guidelines set out in the Resolutions of the International Conference of Labour Statisticians. Descriptions of the underlying concepts and structure of Australia's labour force statistics, and the sources and methods used in compiling these estimates, are presented in **Labour Statistics: Concepts, Sources and Methods** (cat. no. 6102.0) which is also available on the ABS web site (About Statistics-Concepts and Classifications).

SCOPE

4 The scope of the LFS is restricted to persons aged 15 years and over and excludes the following persons:

- members of the permanent defence forces
- certain diplomatic personnel of overseas governments, customarily excluded from census and estimated populations
- overseas residents in Australia
- members of non-Australian defence forces (and their dependants).

5 Students at boarding schools, patients in hospitals, residents of homes (e.g.retirement homes, homes for persons with disabilities) and inmates of prisons are excluded from all supplementary surveys.

6 This supplementary survey was conducted in both urban and rural areas in all states and territories, but excluded approximately 80,000 persons living in remote and sparsely settled parts of Australia who would otherwise have been within the scope of the survey. The exclusion of these persons will have only a minor impact on any aggregate estimates that are produced for individual states and territories, except in the Northern Territory where such persons account for over 20% of the population.

COVERAGE

7 The estimates in this publication relate to persons covered by the survey in September 2002. In the LFS, coverage rules are applied which aim to ensure that each person is associated with only one dwelling and hence has only one chance of selection in the survey. See **Labour Force, Australia** (cat. no. 6203.0) for more details.

RELIABILITY OF THE ESTIMATES

8 Estimates in this publication are subject to sampling and non-sampling errors:

- Sampling error is the difference between the published estimate and the value that would have been produced if all dwellings had been included in the survey. For further

information see the Technical Note.

- Non-sampling errors are inaccuracies that occur because of imperfections in reporting by respondents and interviewers, and errors made in coding and processing data. These inaccuracies may occur in any enumeration, whether it be a full count or a sample. Every effort is made to reduce the non-sampling error to a minimum by careful design of questionnaires, intensive training and supervision of interviewers, and efficient processing procedures.

SEASONAL FACTORS

9 The estimates are based on information collected in the survey month and, due to seasonal factors, may not be representative of other months of the year.

CLASSIFICATIONS USED

10 Country of birth data are classified according to the **SACC-Standard Australian Classification of Countries, 1998** (cat. no. 1269.0).

11 Educational attainment data are classified according to **ASCED-Australian Standard Classification of Education** (cat. no. 1272.0).

LEVEL OF HIGHEST EDUCATIONAL ATTAINMENT

12 Level of Highest Educational Attainment can be derived from information on Highest Year of School Completed and Level of Highest Non-school Qualification. The derivation process determines which of the 'non-school' or 'school' attainments will be regarded as the highest. Usually the higher ranking attainment will be self-evident, but in some cases some Secondary Education is regarded, for the purposes of obtaining a single measure, as higher than some Certificate level attainments.

13 The following decision table is used to determine which of the responses to questions on Highest Year of School Completed (coded to ASCED Broad Level 6) and Level of Highest Non-school Qualification (coded to ASCED Broad Level 5) will be regarded as the highest. It is emphasised that this table was designed for the purpose of obtaining a single value for the output variable Level of Highest Educational Attainment and is not intended to convey any other ordinality.

14 The decision table is also used to rank the information provided in a survey about the qualifications and attainments of a single individual. It does not represent any basis for comparison between differing qualifications. For example, a person whose Highest Year of School Completed was Year 12, and whose Level of Highest Non-school Qualification was a Certificate III, would have those responses crosschecked on the decision table and would as a result have their Level of Highest Educational Attainment output as Certificate III. However, if the same person answered 'Certificate' to the highest non-school qualification question, without offering any further detail, it would be crosschecked against Year 12 on the decision table as 'Certificate not further defined'. The output would then be 'Year 12'. The decision table, therefore, does not necessarily imply that one qualification is 'higher' than the other.

AUSTRALIAN STANDARD LEVEL OF EDUCATION (ASCED) CODES

| | | | | | | | |
|-------------------------|-----------------------|--------------------------|-----------------|-------------------|-------------------------|----------------------|---------------------|
| Certificate not further | Certificate III or IV | Certificate not IV (511) | Certificate III | Certificate (514) | Certificate I or II not | Certificate II (521) | Certificate I (524) |
|-------------------------|-----------------------|--------------------------|-----------------|-------------------|-------------------------|----------------------|---------------------|

| | defined (500) | further defined (510) | | | defined (520) |
|---|--------------------------------------|---|----------------|-----------------|---|
| Secondary Education not further defined (600) | Certificate not further defined | Certificate III or IV not further defined | Certificate IV | Certificate III | Certificate II or I not further defined |
| Senior Secondary Education not further defined (610) | Senior Secondary not further defined | Certificate III or IV not further defined | Certificate IV | Certificate III | Senior Secondary not further defined |
| Year 12 (612) | Year 12 | Certificate III or IV not further defined | Certificate IV | Certificate III | Year 12 |
| Year 11 (613) | Year 11 | Certificate III or IV not further defined | Certificate IV | Certificate III | Year 11 |
| Junior Secondary Education not further defined (620) | Certificate not further defined | Certificate III or IV not further defined | Certificate IV | Certificate III | Certificate I or II not further defined |
| Year 10 (621) | Year 10 | Certificate III or IV not further defined | Certificate IV | Certificate III | Year 10 |
| Year 9 (622) | Certificate not further defined | Certificate III or IV not further defined | Certificate IV | Certificate III | Certificate I or II not further defined |
| Year 8 (623) | Certificate not further defined | Certificate III or IV not further defined | Certificate IV | Certificate III | Certificate I or II not further defined |
| Year 7 (624) | Certificate not further defined | Certificate III or IV not further defined | Certificate IV | Certificate III | Certificate I or II not further defined |

COMPARABILITY OF TIME SERIES

15 Revisions are made to population benchmarks for the LFS after each five-yearly Census of Population and Housing. The last such revision was made in February 1999 to take account of the results of the 1996 Census of Population and Housing. Estimates from supplementary surveys conducted from and including February 1999 are therefore based on revised population benchmarks.

16 Supplementary surveys are not always conducted on the full LFS sample. Since August 1994 the sample for supplementary surveys has been restricted to no more than seven-eighths of the LFS sample. Since it was introduced, this survey has been conducted on various proportional samples and therefore sampling errors associated with previous surveys may vary from sampling error for this survey.

17 Prior to September 1994, part-time workers who wanted more hours of work were asked whether they were available to start work with more hours within the subsequent four weeks. From September 1994, an additional question was added to also determine their availability to start work with more hours during the reference week. This question was added to the

survey so that estimates of underemployment could be more easily aligned with the then current International Labour Organisation (ILO) recommendations on underemployment.

18 As part of the redesign in 2001 of the LFS questionnaire, persons who were on short-term unpaid leave initiated by the employer, are now classified as employed. This approach is consistent with ILO recommendations on formal job attachment. Analysis of data from the LFS shows that many of these persons usually worked part time, and that a number of these had a preference to work more hours. However, overall, these persons contribute only marginally to the change in part-time workers wanting more hours.

COMPARABILITY WITH LABOUR FORCE SURVEY STATISTICS

19 Due to differences in the scope and sample size of this supplementary survey and that of the monthly LFS, the estimation procedure may lead to some small variations between labour force estimates from this survey and those from the LFS.

COMPARABILITY WITH ILO DEFINITIONS

20 Comparability of the concepts and definitions used in the Underemployed Workers Survey are discussed in the Conceptual Framework on page 3. More detailed discussion is included in **Labour Statistics: Concepts Sources and Methods, 2001** (cat. no. 6102.0), Chapter 5.

PREVIOUS SURVEYS

21 The Underemployed Workers Survey was conducted in May 1985, 1988 and 1991. In 1994, the survey became an annual survey, collected each September. Results of previous surveys were published in: **Underemployed Workers, Australia** (cat. no. 6265.0); and the standard data service **Underemployed Workers, Australia** (cat. no. 6265.0.40.001) for 1994 and 1995.

NEXT SURVEY

22 The ABS plans to conduct this survey again in September 2003.

ACKNOWLEDGMENT

23 ABS publications draw extensively on information provided freely by individuals, businesses, governments and other organisations. Their continued cooperation is very much appreciated: without it, the wide range of statistics published by the ABS would not be available. Information received by the ABS is treated in strict confidence as required by the **Census and Statistics Act 1905**.

RELATED PUBLICATIONS

24 ABS publications which may be of interest include:

- **Job Search Experience, Australia**, cat. no. 6222.0
- **Labour Force, Australia**, cat. no. 6203.0
- **Labour Force Experience, Australia**, cat. no. 6206.0
- **Labour Mobility, Australia**, cat. no. 6209.0
- **Labour Statistics: Concepts, Sources and Methods**, cat. no. 6102.0
- **Persons Not in the Labour Force, Australia**, cat. no. 6220.0
- **Working Arrangements, Australia**, cat. no. 6342.0

25 Current publications and other products released by the ABS are listed in the **Catalogue of Publications and Products** (cat. no. 1101.0). The Catalogue is available from any ABS office or the ABS web site. The ABS also issues a daily **Release Advice** on the web site which details products to be released in the week ahead.

Glossary

Centrelink

A statutory authority responsible for delivering a range of Commonwealth government services, including registering persons for assistance in finding work and providing referrals to job placement agencies.

Duration of insufficient work

The duration of insufficient work is the length of time underemployed workers have been working less than 35 hours a week. As periods of insufficient work are recorded in full weeks and rounded down, this results in a slight understatement of duration.

Employed persons

Persons aged 15 and over who, during the reference week:

- worked for one hour or more for pay, profit, commission or payment in kind, in a job or business or on a farm (comprising employees, employers and own account workers)
- worked for one hour or more without pay in a family business or on a farm (i.e. contributing family workers)
- were employees who had a job but were not at work and were:
 - away from work for less than four weeks up to the end of the reference week
 - away from work for more than four weeks up to the end of the reference week and received pay for some or all of the four week period to the end of the reference week
 - away from work as a standard work or shift arrangement
 - on strike or locked out
 - on workers' compensation and expected to return to their job
 - were employers or own account workers who had a job, business or farm, but were not at work.

Family

Two or more persons, one of whom is at least 15 years of age, who are related by blood, marriage (registered or de facto), adoption, step or fostering; and who are usually resident in the same household. The basis of a family is formed by identifying the presence of a couple relationship, lone parent-child relationship or other blood relationship. Some households will,

therefore, contain more than one family.

Full-time workers

Full-time workers are employed persons who usually worked 35 hours or more a week (in all jobs) and those who, although usually worked less than 35 hours a week, worked 35 hours or more during the reference week.

Fully employed workers

Fully employed workers are employed persons who:

- worked full-time during the reference week (including persons who usually work part-time but worked full-time in the reference week)
- usually work full-time but worked less than 35 hours in the reference week for non-economic reasons (such as illness or injury, leave holiday or flexitime, or personal reasons)
- part-time workers who do not want to work additional hours.

Labour Force

The civilian population can be split into two mutually exclusive groups: the labour force (employed and unemployed persons) and persons not in the labour force.

Looking for work with more hours

Looked for work with more hours at some time during the four weeks up to the end of the reference week.

Main English-speaking countries

The main English-speaking countries are the United Kingdom, Ireland, Canada, South Africa, the United States of America and New Zealand.

Mean duration of insufficient work

The mean duration of insufficient work is obtained by dividing the aggregate number of weeks a group has had insufficient work by the number of persons in that group.

Mean preferred number of extra hours

The mean preferred number of extra hours is obtained by dividing the total preferred number of extra hours reported by a group by the number of persons in that group.

Median duration of insufficient work

The median duration of insufficient work is obtained by dividing underemployed workers into two equal groups, one comprising persons whose duration of insufficient work is above the median and the other, persons whose duration is below it.

Part-time workers

Employed persons who usually worked less than 35 hours a week (in all jobs) and either did so during the reference week, or were not at work during the reference week.

Preferred number of extra hours

The number of extra hours a week an underemployed worker would have preferred to work.

Reference week

The week before the survey.

Relationship in household

The relationship of persons who live in the same household. Some households may contain more than one family.

Status in employment

Employed persons classified by whether they were employees, employers, own account workers, or contributing family workers.

Underemployed workers

Underemployed workers are employed persons who want, and are available for, more hours of work than they currently have. They comprise:

- part-time workers who want to work more hours and are available to start work with more hours, either in the reference week or in the four weeks subsequent to the survey
- full-time workers who worked part-time hours in the reference week for economic reasons (such as being stood down or insufficient work being available). It is assumed that these people wanted to work full-time in the reference week and would have been available to do so.

Usual number of hours

The number of hours usually worked in a week.

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